

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7456

BILL NUMBER: SB 456

DATE PREPARED: Jan 11, 1999

BILL AMENDED:

SUBJECT: IDEM permit fees.

FISCAL ANALYST: Kristin Breen

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the commissioner of the Department of Environmental Management to proportionally reduce the fees billed to sources with NPDES permits, solid waste permits, and hazardous waste permits, if the funds in the Environmental Management Permit Operation Fund less obligated expenditures exceed certain amounts.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: This bill requires the commissioner of the Indiana Department of Environmental Management (IDEM) to reduce the fees billed to sources with NPDES permits, solid waste permits, and hazardous waste permits, if the unobligated balance of the Environmental Management Permit Operation Fund exceeds certain amounts.

NPDES Permits: This bill requires that if the unobligated balance of the Environmental Management Permit Operation Fund collected under National Pollutant Discharge Elimination System (NPDES) permits exceeds \$2.5 million, permit fees must be reduced proportionally. It is estimated that this would reduce NPDES permit revenue in FY 2000 and possibly beyond. The available cash balance under NPDES permits was approximately \$5.8 million on June 30, 1998 and approximately \$8.9 million on June 30, 1997. In FY 98, NPDES permit revenue equaled approximately \$3.9 million. The actual decrease in permit fee revenue each year is dependent upon the unobligated balance at the beginning of each fiscal year, as well as total annual revenue and expenditures.

Solid Waste Permits: This bill requires that if the unobligated balance of the Fund collected under solid waste permits exceeds \$1.8 million, permit fees must be reduced proportionally. It is estimated that this would reduce solid waste permit revenue in FY 2000 and possibly beyond. The available cash balance under solid

waste permits was approximately \$2.5 million on June 30, 1998 and approximately \$4.7 million on June 30, 1997. In FY 98, solid waste permit revenue equaled approximately \$3.2 million. The actual decrease in permit fee revenue each year is dependent upon the unobligated balance at the beginning of each fiscal year, as well as total annual revenue and expenditures.

Hazardous Waste Permits: This bill requires that if the unobligated balance of the Fund collected under hazardous waste permits exceeds \$1.8 million, permit fees must be reduced proportionally. It is estimated that this would reduce hazardous waste permit revenue in FY 2000 and beyond. The available cash balance for hazardous waste permits was approximately \$4.3 million on June 30, 1998 and approximately \$5 million on June 30, 1997. In FY 98, hazardous waste permit revenue equaled approximately \$2.5 million. The actual decrease in permit fee revenue each year is dependent upon the unobligated balance at the beginning of each fiscal year, as well as total annual revenue and expenditures.

Revenue in the Environmental Management Permit Operation Fund is used for permitting and other activities directly associated with the NPDES, solid waste, and hazardous waste programs of IDEM and its boards. The Fund also receives revenue from other state, federal, and miscellaneous sources each year.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Environmental Management.

Local Agencies Affected:

Information Sources: Indiana Department of Environmental Management.